



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

2005: THE YEAR THAT EARNED RAVE REVIEWS

Benewah County

Benewah County, with a population of 9,000, has enjoyed three years in a row of significant job growth. Its unemployment rate, which typically was in the double digits over the last 25 years, fell to 8.8 percent by 2004, and then dropped to 7.9 percent in 2005.

An increase in U.S. housing starts, economic development projects for the Coeur d'Alene Tribe and an influx of retirees to the county have brought new employment opportunities.

The high level of U.S. housing starts during the last three years pushed up lumber prices and increased the demand for lumber and plywood, which helped add 100 jobs in the timber industry. With the county's two largest mills, the Potlatch complex and Regulus, currently making multi-million investments in operations, the prospects for the long run also look bright.

The Coeur d'Alene Tribe continues to expand employment at its headquarters, health clinic, school and enterprises in Plummer County, adding about 50 jobs in 2005 after adding 130 jobs in the previous two years. In addition, Benewah County benefits from the expansion of the tribe's casino in Worley, just over the county line.

In addition to creating new jobs, the tribe has contributed toward schools and economic development efforts, shared its health clinic and wellness center with community members who are not tribal members, assisted with the Trail of the Coeur d'Alene rails-to-trails project, provided broadband Internet access to everyone in its area and offered free bus service through western Benewah County into the most populated areas of Kootenai County.

Retirees have been drawn to St. Maries, Fernwood and Santa, which re-

Panhandle Table 1: Coeur d'Alene MSA Labor Force & Employment Kootenai County

	Nov 2005*	Oct 2005	Nov 2004	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	68,720	69,170	64,190	-0.7	7.1
Unemployed	2,540	2,600	3,160	-2.3	-19.6
% of Labor Force Unemployed	3.7	3.8	4.9		
Total Employment	66,180	66,570	61,030	-0.6	8.4
Unadjusted					
Civilian Labor Force	68,800	68,950	64,320	-0.2	7.0
Unemployed	2,390	2,110	2,970	13.3	-19.5
% of Labor Force Unemployed	3.5	3.1	4.6		
Total Employment	66,410	66,840	61,350	-0.6	8.2
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	54,240	54,950	50,670	-1.3	7.0
Goods-Producing Industries	10,200	10,420	9,420	-2.1	8.3
Natural Resources & Mining	420	440	400	-4.5	5.0
Construction	5,370	5,600	4,870	-4.1	10.3
Manufacturing	4,410	4,380	4,150	0.7	6.3
Wood Product Manufacturing	980	980	990	0.0	-1.0
Other Manufacturing	3,430	3,400	3,160	0.9	8.5
Service-Providing Industries	44,040	44,530	41,250	-1.1	6.8
Trade, Transportation, & Utilities	10,360	10,230	9,670	1.3	7.1
Wholesale Trade	1,380	1,380	1,270	0.0	8.7
Retail Trade	8,020	7,890	7,410	1.6	8.2
Transportation, Warehousing & Utilities	960	960	990	0.0	-3.0
Information	1,030	1,030	1,040	0.0	-1.0
Financial Activities	2,740	2,730	2,480	0.4	10.5
Professional & Business Services	6,430	6,330	5,880	1.6	9.4
Educational & Health Services	5,680	5,650	5,360	0.5	6.0
Leisure & Hospitality	6,530	7,230	6,070	-9.7	7.6
Other Services	1,620	1,630	1,440	-0.6	12.5
Government Education	3,760	3,740	3,590	0.5	4.7
Government Administration	5,190	5,240	5,040	-1.0	3.0
Government Tribes	700	720	680	-2.8	2.9

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

cently temporarily renamed itself SecretSanta.com for the leisurely lifestyle and relatively low cost of housing in each community.

In the last few years, a growing number of retirees have been moving into Benewah County to enjoy its pleasant communities, relatively low housing costs, fabulous hunting and fishing opportunities, the Trail of the Coeur d'Alenes and the casino in Worley. Benewah County saw an 11.4 percent gain in taxable sales from \$42.3 million in 2004 to \$47.2 million in 2005. That's an indication of just how well the county's retail and service sectors have been doing. It also reflects the surging incomes of local residents.

Construction is playing a major role in Benewah County's economic growth. Between 2002 and 2005, construction employment grew nearly

50 percent, and it accounted for 28 percent of the 160 total nonfarm payroll jobs added.

Bonner County

Bonner County, with a population of 40,600, is home to many creative people, as demonstrated by the many artists' studios and the variety of business headquarters there. Among the businesses that call the county home are Litehouse, the nation's largest maker of salad dressings; Coldwater Creek, a highly respected retailer of women's clothing; Panhandle State Bank, an independent bank with 15 branches in Idaho and Oregon; Die-drich Manufacturing, a maker of coffee-roasting equipment; Cygnus, a machine shop serving the aeronautical industry; Encoder Products, designer and manufacturer of robotic devices; Thorne Research, maker of nutritional supplements; and Unicep Packaging, maker of one-dose plastic applicators. The above companies have added nearly 400 jobs to the region over the last two years. The companies also are investing a great deal of money in the community. The most recent investment comes from Panhandle State Bank, which plans to build a \$40 million, four-story headquarter in downtown Sandpoint.

Coldwater Creek, the national retailer that employs more than 400 people at its headquarters in Sandpoint, increased its employment in the Sandpoint area by more than 80 jobs in 2005 as it continued to open dozens of retail stores across the United States. Later this year, Coldwater Creek will open a new 10,000-square-foot retail store with a wine bar in downtown Sandpoint and will close its store on Cedar Street Bridge. Upcoming Coldwater ventures include the opening of day spas in or next to six Coldwater stores across the U.S. The spas will provide a full range of treatments including massages, facials, manicures and pedicures. The spas will feature Coldwater clothing and personal care products, and they are expected to increase traffic into the stores.

Recreational opportunities continue to be a major driver of the county's rapid population growth. Rivers and lakes including beautiful Priest Lake and Idaho's largest lake, Lake Pend Oreille, offer wonderful swimming, boating, rafting, fishing and beach-lounging opportunities. Sandpoint's charming downtown is the backdrop for art galleries, the Panida Theater and some of the inland Northwest's best restaurants.

In winter, many visitors love skiing and snowboarding at Schweitzer Mountain Resort near Sandpoint, which has more skiable terrain than any other resort in Idaho, or snowmobiling in the Priest River area. In the 2004-2005 ski season, a lack of snow proved disastrous for Bonner County. While Schweitzer normally hosts 225,000 ski visits a year, it recorded only 85,000 ski visits, and it was forced to lay off many of its 600 em-

ployees early. Snow conditions are much better this ski season, although they are not ideal.

The snow dearth early in 2005 depressed Bonner County's hotel-motel receipts 6.7 percent, from \$13.3 million in 2004 to \$12.4 million in 2005, despite increased summer tourism. Fortunately, hotel-motel receipts had increased 17.1 percent between 2003 and 2004, better reflecting the county's growing tourism potential.

The effect of high lumber prices on sawmill employment, along with the growth of some of the manufacturers mentioned previously, allowed Bonner County to add nearly 140 manufacturing jobs in 2005. The county is a true standout when it comes to manufacturing job growth. While the United States lost 17 percent of its manufacturing jobs between 2000 and 2005, Bonner County's manufacturing jobs grew an amazing 54 percent and more manufacturing jobs may be headed that way.

This summer, Bonner County Economic Development Corporation and Priest River Development Corporation recruited Van Tech/SafetyLine from California to the Priest River organization's industrial park in Priest River. SafetyLine's products include flame-retardant overalls and jackets, safety gloves and high-visibility parkas and vests worn by construction and road crews. The company is expected to employ 40 people when it begins operations in a few months.

With population and incomes rising, Bonner County's retail sector posted an 11.8 percent increase in taxable sales from \$304.2 million in 2004 to \$340.1 million in 2005. The sector also added about 250 jobs including 120 jobs with the opening of a new Home Depot in early 2005.

Construction is playing a major role in Bonner County's economic growth. Between 2002 and 2005, construction employment grew more than 50 percent, and it accounted for 27 percent of the additional 1,630 total nonfarm payroll jobs.

Boundary County

Boundary County, with a population of 10,400, is an amazingly resilient community. In 2003, one of its two largest lumber mills closed, putting more than 140 people out of work. Despite that loss, the county added 110 jobs between 2003 and 2004. In March 2005, the county's largest employer, CEDU, closed when its owner Brown Schools entered bankruptcy in March. CEDU employed more than 300 people at Rocky Mountain, Northwest and Boulder Creek academies for troubled teens and the Ascent therapeutic adventure program in Boundary County. Despite the loss, the county's economy continued to generate new retail and service jobs, and the county did not lose population.

Job gains in the construction, health care, tourism, retail and service sectors offset some of the CEDU job

losses; the net result was the loss of the 110 nonfarm payroll jobs the county had added in 2004. Because many residents started their own businesses or found jobs in neighboring counties, the number of employed residents grew from 4,030 in 2004 to 4,270 in 2005.

Most of the CEDU jobs will return over the next two years. In late fall, Universal Health Services, a health care management company based in Pennsylvania, purchased the CEDU schools. It is in the process of reopening the programs and gradually expanding employment.

Tourism has been a bright spot. Between 2004 and 2005, hotel-motel receipts in Boundary County increased 4.2 percent to \$2.8 million. In 2005, the International Selkirk Loop — a scenic byway through Bonner and Boundary counties, British Columbia and eastern Washington — received the special “All American” designation, which will bring more tourists through Bonners Ferry, Sandpoint and Priest River.

The Kootenai Tribe completed a major expansion of its Kootenai River Inn & Casino in the summer. A few months later the construction of a 325-foot pedestrian bypass under U.S. Highway 95 connecting the Kootenai River Inn & Casino with downtown Bonners Ferry was completed.

Bonners Ferry, which completed a beautification project in the summer of 2004, has been welcoming more Canadians in recent years. Between December 2002 and December 2005, the loonie, a common reference to the Canadian dollar, rose from a near-record low of 63 U.S. cents to a near-record high of 86 cents. With their loonies able to purchase more U.S. goods and services than three years ago, Canadians are finding North Idaho a more attractive place to shop and play.

The CEDU closure's impact on retail spending offset some of the gains from increased tourism and growth in other sectors, resulting in a 1.8 percent increase in taxable sales, from \$65.2 million in 2004 to \$66.3 million in 2005.

North Idaho College plans to open a satellite campus in Bonners Ferry this September with help from the Boundary Economic Development Council, Idaho Commerce & Labor, Panhandle Area Council, the Kootenai Tribe and Boundary County. The availability of college courses is increasingly important for economic development. College courses can develop the skills needed by local businesses, train local people for businesses moving into the area, give new skills to workers dislocated from their traditional industries and improve entrepreneurial skills.

Construction is playing a major role in Boundary County's economy. Between 2002 and 2005, construction employment grew nearly 70 percent, and it accounted for 90 percent of the 120 total nonfarm payroll jobs added.

Kootenai County

When the final payroll jobs statistics are completed for 2005, Kootenai County, with a population of 128,000, is likely to be among the five fastest-growing metropolitan statistical areas in the United States, just as it was in 2004. Every major industrial sector has grown in Kootenai County during the last two years. The industries showing standout growth include construction and related industries, tourism, call centers, manufacturing, health care and wholesale trade.

U.S. Bank opened a new call center creating 150 jobs. Center Partners also added hundreds of new call center jobs. Buck Knives opened its 270-employee manufacturing plant in Post Falls and Sysco opened a new distribution center creating 170 new jobs.

After stagnating following the terrorist attacks in 2001, tourism began growing again about two years ago. Hotel-motel receipts rose 8.1 percent in 2005, after rising 9.2 percent in 2004. Further growth is likely in 2006. Silverwood, the Pacific Northwest's largest theme park, will open a new ride this summer, and that usually brings a burst of additional visitors. The Coeur d'Alene Tribe's casino continues to expand. A Holiday Inn Express with an indoor water park opened in Hayden in 2005, and two new hotels are under construction in developments along the Spokane River as it flows through Coeur d'Alene.

Construction continues to play a major role in Kootenai County's economy. Between 2002 and 2005, construction employment grew nearly 60 percent and accounted for 27 percent of the 7,100 total nonfarm payroll jobs added.

Shoshone County

Shoshone County, with a population of 12,800, added more jobs in 2005 than it did in the previous nine years. It added about 300 jobs in 2005, after losing 90 jobs between 1995 and 2004.

Although Shoshone County's neighbor, Kootenai County, has received a lot of attention for its rapid job growth, Shoshone County's job growth in 2005 appears to have been just as fast. Estimates show Shoshone County's nonfarm payroll jobs grew about 7 percent in 2005 matching Kootenai County's rate.

With silver prices rising, mining activity has picked up. Mining companies created about 60 jobs in 2004 and about 90 new jobs in 2005. Hecla's Lucky Friday Mine has been the source of many of those new jobs. Mining jobs have an especially large impact, because they pay about \$49,000 a year on average — more than double the average pay of \$24,000 paid by all other industrial sectors.

Shoshone County manufacturers added about 30 jobs in 2005, while the transportation industry added

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about 70 jobs and Superfund activities added about 40 jobs.

Tourism continues to grow as Silver Mountain Resort and the smaller Lookout Pass Ski Area expand. The Trail of the Coeur d'Alenes is also drawing more visitors.

Despite a very disappointing 2004-2005 ski season, hotel-motel receipts in Shoshone County rose 3.3 percent, from \$2.8 million in 2004 to \$2.9 million in 2005. Between 2003 and 2004, hotel-motel receipts had grown 12.8 percent.

More tourism growth is on the horizon. Eagle Crest, owner of Silver Mountain Resort, opened its Morning Star Lodge in late May. This fall, the resort broke ground on three new residential buildings with 110 condominium/hotel units, more commercial space and an indoor water park near the lodge. Future plans for Silver Mountain include new ski lifts, expanded terrain, home sites and a golf course.

Rising incomes and increased tourism gave a boost to retail sales. Another major contributor to retail sales growth was Dave Smith Motors in Kellogg, the county's largest employer. The dealership employs more than 300 people and sells vehicles across the United States via the Internet. Taxable sales in Shoshone County grew 14.8 percent from \$114.8 million in 2004 to \$131.7 million in 2005.

Construction is playing a major role in Shoshone County's economy. Between 2002 and 2005, construction employment grew about 70 percent and accounted for 23 percent of the 480 total nonfarm payroll jobs added.

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process called transesterification. The refining process separates the canola oil into two products — methyl esters, the chemical name for biodiesel, and glycerin, a by-product that can be sold for use in soaps or other products. Nave said the operation will be a "zero discharge facility," meaning no waste will be pumped into the local ecosystem. Initially he will have to import canola oil from Canada to get the refining operation started, but hopes to buy and crush canola seeds from local farmers in the

spring. Nave's goal is for 50 percent of his canola seed to come from local farmers by 2010.

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- The U.S. Small Business Administration recently updated its definition of a small business by raising the size limit from \$6 million to \$6.5 million to allow small businesses with growth matching the inflation rate to still have access to the organization's services. The last size-limit increase was in February 2002.
- Two new hotels are currently under construction in the Treasure Valley. At the Bodo complex in downtown Boise a new Hampton Inn and Suites is under construction. In Nampa a new Holiday Inn Express recently broke ground near the Garrity exit off of Interstate 84. Both hotels will add to the availability of rooms for the valley and are expected to cater to business travelers.

Valley County

- Valley County has hired a consultant previously employed by Blaine County to set up a housing authority for both Valley and Adams Counties. No other localities

are being asked to contribute money for this project but all local governments will have a member present on the board created to operate the housing authority. In addition to Valley and Adams counties, the cities of Cascade, McCall, Donnelly, Council and New Meadows are expected to participate.

Elmore County

- Advance registrations are now being accepted for jobs with Marathon Cheese. The company is not hiring yet but expects to start reviewing job applications beginning this spring.

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